MGIB Transferability of Benefits to Dependents

Effective: 21July 2006

Purpose

Provide the status of the Army's implementation of MGIB Transferability of Benefits to Spouses Pilot Program

Key Messages

- Education benefits are a key component of the incentive package used to attract and retain Soldiers
- Transferability of MGIB benefits to spouses is an additional lever being used to retain Soldiers with critical skills
- Transferability is important to Soldiers and Spouses (Consistently in the AFAP Top 5 “Army Critical Active Issues”)
- This is a pilot program targeted to the retention of active component enlisted Soldiers serving in critical military skills
- Based upon the success of this program, the Army will explore expanding this program to all Soldiers

MGIB Transferability Facts

- 2002 NDAA, Public Law 107-107, Sect 654 authorized MGIB Transferability of Benefits to Dependents
- USC, Title 38, Sect 3020 further authorizes MGIB Transferability
- Each service secretary has the option of offering MGIB transferability to Soldiers in designated critical skills
- Each service must develop its own implementation and funding plan

MGIB Transferability Conditions

- **Conditions for MGIB Transferability eligibility include:**
  - **Soldiers must be serving in a critical skill / MOS (Definition: Eligible for a Zone B or Zone C SRB)**
  - **Soldier must have completed 6 years of service**
  - **Soldier must reenlist for a minimum of 4 years**
  - **Soldier can transfer up to 18 of 36 months of entitlement to their spouse**
  - **Soldier may revoke or change his/her transferability election any time in writing**

MGIB Transferability Programmatics

- Eligible Soldiers can choose between a full SRB or a reduced SRB (current SRB for FY06 reduced by a .5 multiplier) plus the ability to transfer over $18K in benefits.
- Reduction based upon the FY06 actuary per capita payment as determined by the DoD Office of the Actuary.
- FY06 actuary per capita payment is $2,900, FY07 $3,000
- The Army will fund the FY 06/07 program through supplemental and the reprogramming of funding. The Army will fund the DoD Education Trust Fund.
- The actuary per capita payments will be recalculated annually and adjusted based on program usage.

MGIB Transferability Programmatics Cont.

- FY06 basic MGIB monthly benefit for full-time training for veterans is $1,034 (indexed annually). Soldiers can transfer up to 18 of 36 months of entitlement equaling $18,612. The benefit is prorated for part-time enrollment.

- For Soldiers who elected the Army College Fund (ACF) as an enlistment option and/or have enrolled in/paid toward the $600 MGIB Additional Opportunity, their expanded benefit (MGIB, ACF, MGIB Additional Opportunity) is transferred.